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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

9 In re:
10 NW VALLEY HOLDINGS LLC,
11 Debtor.

Case No.: BK-S-15-10116-abl
Chapter: 11

Confirmation Hearing:
Date: May 21, 2015
Time: 9:30 a.m.

**DECLARATION OF MICHAEL STERN IN SUPPORT OF THE OMNIBUS REPLY TO
THE KB HOME AND KIMBALL HILL TRUSTS' OBJECTIONS TO CONFIRMATION
OF DEBTOR'S PLAN OF REORGANIZATION**

I, Michael Stern, hereby declare as follows:

1. I am over the age of 18 and am mentally competent. I make this declaration in support of the *Omnibus Reply to the KB Home and Kimball Hill Trusts' Objections to Confirmation of Debtor's Plan of reorganization* [ECF No. 82] (the "Omnibus Reply").¹

2. I am a member of the board of Kyle Agent LLC (“Kyle Agent”), the sole member of Kyle Entity Holdings, LLC (“KEH”) and, in that capacity, I have personal knowledge of KEH’s operations and finances, including information learned from my review of relevant documents and information supplied to me by other members of KEH’s management and its various business and legal advisors. If called upon to testify as to the content of this declaration, I could and would do so.

3. **Exhibit 1** attached hereto is a true and correct copy of the Ritter Settlement Agreement, which has been filed under seal.

4. Through the Ritter Settlement Agreement, Kyle Agent and the Lenders settled

¹ All capitalized, undefined terms used herein shall be ascribed the meaning set forth in the Omnibus Reply.

1 their claims against Focus and Ritter arising from the Guarantees in exchange for receiving
2 certain confidential settlement payments and the transfer of Focus and Ritter's interests and
3 rights in and against Debtor to KEH. Focus and Ritter's indemnification and contribution claims
4 against Debtor were transferred to KEH.

5 I declare under penalty of perjury of the laws of the United States that these facts are true
6 to the best of my knowledge and belief.

7 DATED this 19th day of May, 2015.

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/s/ Michael Stern
MICHAEL STERN

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